

**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Washington, DC 20250

**Notice LP-1722**

**For:** State and County Offices

**Completing LDP Spot Checks**

**Approved by:** Deputy Administrator, Farm Programs



**1 Overview**

**A**

**Background**

8-LP, paragraphs 515 through 517 provide spot check procedures relating to:

- producer notification
- on-farm visits
- completing spot checks.

Some States are reporting that large volumes of random and related LDP's selected for spot checks have greatly increased the workload for County Offices.

**B**

**Purpose**

This notice provides instructions intended to reduce the number of on-farm visits required for completing LDP spot checks only.

**Disposal Date**

October 1, 2000

2-15-00

**Distribution**

State Offices; State Offices relay to County Offices

## 2 LDP Spot Checks

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### A

#### Authorization

For LDP spot checks **only**, County Offices, **with State Office concurrence**, may elect to forgo the farm visit and send the producer a letter according to subparagraph B.

State Offices shall consult with DD's before authorizing the use of a letter, instead of on-farm visits, to determine whether higher than normal workload prohibits on-farm visits for the completion of LDP spot checks according to 8-LP, paragraph 516. State Offices may limit the use of a letter to a number of months depending on County Office workload.

If County Offices do not receive concurrence from the State Office, all LDP spot checks must be completed, including on-farm visits, according to 8-LP, paragraphs 515 through 517.

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### B

#### Producer Notification Letter

The producer notification letter must include all of the following:

- identification of LDP selected for spot check, as applicable
  - options to the producer for quantities still on the farm to:
    - request measurement service within 7 days at the expense of the producer and use the measurements as final production evidence
    - provide production evidence by the earlier of the following:
      - 15 calendar days after the commodity is sold
      - 9 months after the disbursement date
  - the date applicable to 9 months after the disbursement date
  - submission of sales evidence within 15 calendar days from the date of the letter, for quantities already sold
  - the following statement, "Failure to provide acceptable production evidence may result in repayment of the entire LDP amount plus applicable interest."
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## 2 LDP Spot Checks (Continued)

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### C

#### Recording Spot Checks

Record LDP spot checks as complete in the normal manner.

When the production evidence is submitted, handle spot check verification according to 8-LP, paragraph 519, including possible violations, as applicable.

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### D

#### Monitoring Receipt of Production Evidence

County Offices shall manually create a monthly tickler file to determine whether production evidence was submitted by the producer by the deadlines established in subparagraph B.

If production evidence has not been submitted by the deadline, collect the LDP amount, plus applicable interest, according to 8-LP, paragraph 539.

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### E

#### Outstanding Loan Spot Check

All outstanding loans selected for spot check **must** be spot checked according to 8-LP, Part 5.

Visually inspect all related loans or LDP's located at the same location according to 8-LP, paragraph 516.

Sending producer notification letters for outstanding loan spot checks or related LDP's located on the same location as the outstanding loan is **not** authorized.

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